

# **LOUDOUN COUNTY ECONOMIC DEVELOPMENT COMMISSION**

## **MEETING MINUTES**

Friday, June 6, 2008

8:00 a.m. – 10:00 a.m.

### **IDA LEE PARK and RECREATION CENTER**

60 Ida Lee Drive, SW

Leesburg, VA 20175

#### **I. Call to Order/Determination of Quorum/Adopt Minutes**

Chair Tamar Datan Johnston called the meeting to order 8:12 a.m. and minutes were adopted unanimously.

#### **EDC Members Attending:**

John Bischoff

Jeff Browning

Linda Erbs

Alice Frazier

Russ Gestl

Bill Gibson

Katie Hammler

Paula Harper

G. Kim Hart

Ed Hatrick

Rick Hurwitt

Tamar Datan Johnston

Shaun Kelley

Dave McWatters

Dave Miles

Randy Minchew

Arch Moore

Joe Paciulli

Mary Porter

Deborah Rochkind

Bob Steere

Robin Suomi

Elaine Walker

John Wood

Scott York

#### **EDC Members Absent**

Jim Bennett

Paul Bice

Joe Boling

Kirby Bowers

Susan Buckley

Robert DuPree

Dout Fabboli

Mary Gayle Holden

Randy Kelley

Ted Lewis

Scott Mingtonet

Cheryl Moore

Betsy Self

#### **County Staff Present:**

Robyn Bailey, Jack Brown, Beth Hain, Alison Howard, Warren Howell, Dorri Morin, Linda Neri, Kaj Nielsen, Buddy Rizer, Patrick Ryan, and Harry Walsh.

## **II. Chair's Items**

Resolution of appreciation for the VIP event was presented to Buddy Rizer at the meeting. It was also noted that Georgia Graves will receive one as well. Chair announced there will be no July EDC meeting. Tamar Datan Johnston and John Wood will attend the June 19 Committee on Committees meeting to look at how each committee in the county operates. It was noted that John Wood had been nominated for the Washington Business Journal Philanthropist of the Year for large companies.

## **III. Director's Report**

Robyn Bailey announced that the Board Finance Committee is to look at the upcoming budget and will be looking at various revenue options. They will possibly involve taxes related to businesses. Pending Board direction it might involve the EDC and the Chamber as they are very important stakeholders. BAE Systems had their grand opening in Loudoun County this week opening a 140,000 square foot facility. Chairman York presented on the visit by the Germans. Dorri Morin stated that the LoCoMotion will go paperless next month and that Economic Development is now a Policy Maker Business Partner with the Loudoun County Chamber of Commerce.

## **IV. Citizen Survey Update and Roundtable Discussion/Q&A, Jill Allmon, Demographer**

Ms. Allmon presented the findings of the 2007 Survey of Loudoun Residents. Please see attached handout for further details of survey.

## **V. Industry Cluster Discussion**

Robyn Bailey explained that the industry cluster discussion started with the budget this year. She stated that DED has been a primarily reactive organization, but must change to being a proactive organization. The department has a new position being funded and potential for an international position.

Robyn Bailey drew attention to Attachment #1 "Suburban Business Development Targeted Programs to Expand Commercial Tax Base". They are the targeted areas where the department believes there is the best opportunity to be highly successful.

Aerospace Cluster: An existing cluster, but she believes it can be expanded.

Aviation and Cargo Cluster: Loudoun has the airport and a strong industrial corridor on Route 606.

Defense/Federal Cluster: This cluster has gotten out in front of us and we need to focus on it.

Information and Communications Technology (ICT) Cluster: The County has a strong hold on this area, as well as the rest of Northern Virginia.

Life Science Cluster: Is an emerging cluster with Howard Hughes being the anchor and putting the County on the map.

International Cluster: This is a big discussion point and deciding whether or not it should be its own cluster or part of other clusters. This will be discussed at the Economic Development

Committee meeting in June.

*Robyn Bailey opened the door for discussion on Clusters:*

- Deborah Rochkind is concerned about having product available when a company comes. She also questioned whether developers are going to be willing to spec an office or office park for them. Ms. Bailey replied that that is why the committee asked the broker community to become involved.
- Russ Gestl suggested having a forum of companies that came into Loudoun in 2007 to get feedback on how their experience in Loudoun has been.
- Joe Paciulli questioned the International Cluster. It was explained by Ms. Bailey that it is really an overlay, not a specific cluster. Robyn explained it must be addressed separately since it is handled differently. Mr. Paciulli wanted to know if there are other clusters besides the ones mentioned and Ms. Bailey stated there are and that clusters are proactive areas for the department, but that the department helps any industry. Tamar Datan Johnston wanted to know about the selection criteria to pick the clusters DED selected. Robyn Bailey stated we selected based on the County's assets and strengths.
- Mindy Williams stated that at the Chamber they are discussing business taxation and wanted to know if the County was looking at the varying levels of tax revenue that are generated by the different industry segments. Ms. Bailey stated they are in discussion with Ben Mays and Bob Wertz who will be at the next ED Committee meeting.
- Bob Wertz mentioned the county's tax assessments systems have not kept up with the new technology. The system they use to assess business personal property tax is 15 years old and as a result there is no way to maintain an industry cluster in the system.
- Robyn Bailey stated that with any emerging cluster once you get one smaller presence in the county, it is often easier to potentially get a larger presence to come to Loudoun.
- It was questioned whether or not DED has looked at how other areas across the country handle clusters. Ms. Bailey stated that Tricia Simons is finalizing this research and that Loudoun is unique. Life Science is generally based around a university, but we will probably base it around Howard Hughes, a private entity and the federal government as well as proximity to NIH. She stated the department is looking at areas, but land is a huge issue and the county hopes it can work with developers to influence them with better information on where we are headed.
- Beth Hain clarified the international overlay point. She noted that Volkswagon is considered a domestic locate because they were already in the United States. However, after they relocated it was categorized as an international locate because of the public relations attention it received.
- Kim Hart asked how the department prioritizes. Ms. Bailey responded that the department will not turn a client away. Life Sciences clients are sent to us generally through the state of Virginia, then the department attempts to help clients figure out how and if they fit into the Loudoun environment. Dorri Morin noted that Life Sciences does not have quick pay-off, but may have returns far in the future.

- Rick Hurwitt emphasized the need to look at equipment in assessing a firm's tax value to the county. He noted that his company requires no services, but pays taxes to keep their equipment in the county.
- Ed Hatrick asked whether incentives will outweigh tax revenue. Ms. Bailey responded that we very rarely give cash incentives. Rather, we have in the past offered infrastructure incentives that the county continues to profit from even if company lives.
- John Wood expressed preference toward the Governor's Opportunity Fund for incentives because it does not take money out of Loudoun pockets.
- Tamar Datan Johnston asked whether we look toward the nature of labor force and propensity to form spin-offs when determining cluster focus.
- Rick Hurwitt asked which two clusters were next in line behind the top targeted clusters. Robyn Bailey responded high-end manufacturing and perhaps small business because of the different type of support it needs. Mr. Hurwitt asked how healthcare factors into this plan. Ms. Bailey said it did not factor in because she has not seen a lot of activity in the area, but probably one the county needs to keep an eye on.
- Robin Suomi mentions that she has dealt with small businesses at the SBDC in each of these clusters and suggested working in concert with Economic Development.
- Tamar Datan Johnston asked how green ideas are being worked into the local economy.
- Joe Paciulli would like to see the "full list" of the clusters. Though he recognizes the importance of targeting certain industries, he would like to see wider spectrum of what our community is.

## **VI. Committee Updates and Goals**

### **A. Executive**

John Wood referred to the Executive Meeting notes online for meeting outcomes. He emphasized the need for the Board to delegate responsibilities to the county departments. Mr. Wood then reported on the CEO Cabinet meeting which addressed a retention issue with the Redskins and development issue with George Mason University. Questions whether the Redskins are a strategic asset for the county and whether the county is a strategic asset for the Redskins. George Mason offers a potential new strategic asset for business development and means of retaining young workforce.

### **B. Education and Workforce**

The Committee is working on developing education-workforce partnerships and have invited author and economic development expert **Shari Garmise** to speak on issue on June 20.

### **C. Marketing and Business Retention**

Rick Hurwitt noted the successful VIP reception. He also announced associate membership to MAVA. The committee continues to get quarterly updates from LCVA about the use of TOT funds. Finally, he mentioned a topic discussed with the

committee called the Emerging Leaders Program. Bob Steere discussed the difficulties in finding and retaining young professionals aged 25 – 40. They put together a proposal for Leadership Loudoun to create an Emerging Leaders Program and would need \$150,000 for three years to implement. Mr. Steere noted that he solicited \$50,000 at the VIP reception for the program. He then requested support from EDC businesses.

#### **D. Policy and Implementation**

Shaun Kelley stated they continued their work on the EDC strategic plan.

#### **E. Transportation and Infrastructure**

Dorri Morin stated the committee discussed the broadband issue and focused their attention on Eastern Loudoun rather than Western Loudoun based on Bob Gordon's input. It was noted that the VIP event photos were on the department's website. Scott Hamberger, President of Loudoun based Fortessa and vice-chairman of the CEO Cabinet wanted to announce Chefs on Bikes on June 24, please contact Ms. Morin if interested.

#### **F. Rural Economic Development Council**

Jeff Browning announced the REDC annual report has been made available. He invited EDC members to attend REDC events. On July 15 there will be an update of the 200,000 Acre Report to be presented.

### **VII. Old Business**

### **VIII. New Business**

### **IX. Adjournment at 9:52 a.m.**